# GOVERNMENT OF INDIA
# POWER
# LOK SABHA

UNSTARRED QUESTION NO:3561
ANSWERED ON:27.04.2007
MODERNISATION OF POWER PROJECTS IN KERALA
Gandhi Smt. Maneka

**Will the Minister of POWER be pleased to state:**

(a) whether a Canadian construction firm SNC Lavalin was awarded a contract to modernize three hydro-electric projects in Kerala;

(b) if so, the details thereof;

(c) whether the investigations conducted by the Comptroller and Auditor General of India (CAG) uncovered serious deviations in the power contract;

(d) if so, whether the case has been handed over to Central Bureau of Investigation (CBI) to investigate the charges of corruption in awarding the contract; and

(e) if so, the outcome thereof and the follow-up action taken thereon?

## Answer

THE MINISTER OF POWER ( SHRI SUSHILKUMAR SHINDE )

(a) : Yes, Sir.

(b) : M/s. SNC Lavalin was awarded the contract by the Kerala State Electricity Board (KSEB) for the renovation and modernization of the following three hydel projects in Kerala:-

(i) Pallivasal (37.5 MW)

(ii) Panniyar (30 MW)

(iii) Sengulam (48 MW)

(c) : According to the information furnished by the Government of Kerala, in the Comptroller & Auditor General`s Report for the year ended 31st March, 2005, a number of findings regarding the contract were recorded. One of the issues was that there was no increase in power generation after renovation of the projects. Since up- rating was not envisaged in the contract, the machines were renovated to their original capacity. The renovation works were undertaken to improve the efficiency and availability of machines and to extend the life of the stations by another 25-30 years. The equipment installed by M/s. SNC Lavalin do not have any technical defects. The generation of power from the stations has improved and the KSEB is now getting expected generation from the above stations.

(d) : The KSEB have informed that the Hon`ble Division Bench of Kerala High Court on 16.01.2007 had ordered a CBI enquiry into the issue.

(e) : The investigation by the CBI is in progress.